MERIDRANDUM FOR: Assistant Director, OCD 12 JUL 1949

Assistant Director, CO Assistant Director, CRE Assistant Director, CSC Assistant Director, CSI Assistant Director, CPC

Chief, Inspection and Security

General Counsel

Chief, Advisory Council

Executive

SUBJECT: Approval by the NSC of Much of the Dulles Report

On July 7 the National Security Council net and approved of the recommendations in NSC 50, which was the State-Defense Report on the Dulles Report. NSC 50 recommended:

1. LEGISLATIVE PROVISIONS:

that the National Security Council concur in the Dulles survey group's conclusion that Section 102 of the National Security Act of 1917, which sets up CIA, is sound and that no emendments are necessary at this time; with the understanding that study may determine that certain functions and responsibilities should be under the control of the military in time of war.

2. CEARLERATION:

that the National Security Council concur in the conclusions and recommendations; and confirm as a statement of principles to be followed by SCI and IAC:

a. that the responsibility of CIA with respect to the goordination of intelligence activities has not been fully discharged.

b. that the IAC is soundly conceived as an advisory body, but should, under the forthright initiative and leadership of the DCI, participate nore actively in the continuing coordination of intelligence activities and in the discussion and approval of intelligence estimates.

3. MEMBERSHIP OF IAC:

that the MSG invite the Attorney General to have

the FBI become a sember of the IAC, and issue a revised NBCID No. 1 as proposed in this report. (Both of these steps have already rest taken by the Executive Secretary of the MSC). The JIG and AbC remain sembers of the IAC, and added thereto are the DCI as member and chairman, and the FBI. The function of the IAC as an advisory group remains unchanged.

h. PARTICULAR QUESTIONS REQUIRED ATTENTION:

that particular attention of the DCI and IAC be drawn to the need for early and sustained action for more effective coordination in the following fields, discussed by the Dulles Report:

Scientific intelligence;
Demostic intelligence and counterintelligence in so far as they relate to the national security;
Provisions for prompt coordinated intelligence estimates in crisis situations;
The proper allocation of responsibility for political summaries:

Coordination of covert intelligence activities in occupied

areas;

increased explasis on the counterespionage activities abroad of CIA, and closer limison on counterespionage matters with the FBI,

and that the DCI submit to the SSC, within a period of six months, a report of progress in these matters.

5. NATIONAL INTELLIGENCE RETURNIES:

that, as a statement of principles to be observed by the BCI and the IAC, the CIA should interpret and follow the BSCID's so as to refrain so far as possible from competitive intelligence activities in the production of research intelligence estimates; that CIA should draw upon and review the specialized intelligence production of the agencies in order to prepare coordinated national intelligence estimates; that a procedure should be adopted which would permit the Eirector and the IAC to fulfill their respective responsibilities to the President and the BSC regardless of unanimous agreement, but provide for concurrent submission of any dissent.

6. CHOANIZATION:

(1) that the MSC approve the recommendations of the Mulles Report to combine into one office the Office of Special Operations, the Office of Policy Coordination and Contact Granch

of the Office of Operations under single over-all direction.

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- (2) that further consideration will be given to establishing a separate administration for the new office indicated above after determination and further discussions of comparative costs.
- (3) that the concept in the Dulles Report on the organizational matters indicated below be approved while recognizing that other methods of organization will accomplish the same objectives.
 - (a) Out of the present Office of Reports and Estimates there should be created (1) a small estimates division which would draw up and review the specialized intelligence production of departmental agencies in order to prepare coordinated National Intelligence Estimates, and (2) a Research and Reports Division to accomplish central research in, and coordinated production of, intelligence in recognized fields of common interest.

(b) The Foreign Documents Branch of the present Office of Operations should be included in the proposed Research and Reports Division.

(c) ICAPS should be reconstituted as a staff responsible only to the Director of Central Intelligence with the task of developing plans for the coordination of intelligence activities. It would also perform the present task of the Office of Cellection and Dissemination with regard to the coordination of collection requirements and requests, and the dissemination of intelligence.

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NOTE: The above recommendations are being studied by the Director and the Executive for later discussion with Assistant Directors prior to reporting to the Council "within 90 days."

7. SECURITY OF INFORMATION AND AVOIDANCE OF PUBLICITY:

that all publicity is undesirable, and that a NSCID should be issued to this effect within 30 days. (ICAPS is compiling the first draft of such a NSCID, to cover both security of information and avoidance of publicity, based on Section 102 (d) of the 19h? Act, and upon the recent discussions within CIA to protect security of sources so that dissemination will be made on the basis of only those who need to know rather than those who desire to know).

8. CLANDESTME ACTIVITIES.

	that	the DCI	carry out	certain r	ec comenda	tions about
operating	problem	relating	to cland	estine act	ivities r	rith the
analaterce	of the	other Der	artments	and Acopci	es concer	med,
and report	to the	NEC on ar	o difficu	ltios enco	untered.	Tho
principal	ques tion	is are air	murised a	s follows:		

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- (2) Relatione with departmental agencies should be closer.
- (3) The DCI should assure himself that the operating agencies of CIA receive adequate guidance on the current and strategic intelligence and policy needs of the Government.
- (h) The operating services of CIA should have access to commications intelligence to the full extent required for guidance in directing operations, and for the more effective conduct of counterespionage.
- 9. Other than as indicated above, no changes are contemplated by the Security Council in connection with the Dulles Report recommendations.

Rear Admiral, USH Director of Control Intelligence

cc: TS Control
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